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Iowa Lakes Electric Cooperative

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

J. Bruce Bosworth

1724 Central Avenue P.O. Box 77 Estherville, Iowa 51334-0077 FEB 9 **1993**

General Manager (712) 362-2694

February 4 FCC MAIL ROOM

The Honorable Sherrie T. Marshall, Commissioner Federal Communications Commission 1919 M St. NW Washington, D.C. 20554

RE: MM Docket No. 92-265/Program Access

Dear Ms. Marshall:

I am concerned about the Notice of Proposed Rule Making (NPRM) that was published on December 24th, especially the parts dealing with the Section 19 programming access provisions of the cable bill passed in the last session of Congress.

I am the Director of Government Relations of Iowa Lakes Electric Cooperative. Our Cooperative is a customer-owned, not for profit, electric utility providing service to about 11,200 customer-owners in eight counties in rural northwest Iowa. We also provide satellite programming packages to 860 customers over the same service area. The only way these customers can receive their television programming is through a home satellite dish.

These customers have been paying discriminatory high rates for their television programming. The price discrimination exists in the wholesale cost. The programmers are charging an average of five times the price charged to cable operators. This price difference cannot be justified. This was confirmed in an FCC report released June 5, 1991 which said that "...there are significant disparities in some of the prices charged by some carriers to home dish distributors as compared to the prices charged to cable companies and other customers for superstation and network station programming," and that "in some cases, these rate disparities are not fully supported by documented costs or adequately justified by the record."

On announcing the report on May 9th, 1991 FCC Chairman Alfred Sikes said, "We will provide (the report) to Congress. I think that they will be troubled by some of the unwarranted price discrimination and we'll see what steps are taken thereafter." The step Congress took was to pass the cable bill. The Section 19 programming access provisions were adopted to protect our customers from the cable industry's unnecessary price-gouging. The fact that such price discrimination exists was well documented in hearings before the Congress and even by the FCC.

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The Honorable Sherrie T. Marshall, Commissioner February 4, 1993
Page Two

Therefore, I am puzzled by the NPRM provisions that harm against the dish market would have to be established before the FCC could issue regulations to correct it. It already has been established that harm exists. That is why Congress adopted the Section 19 programming access provisions in the cable bill. I also am concerned that the NPRM suggests the FCC is in favor of allowing all existing programming contracts to remain valid, and imposing regulations only on contracts that are hammered out after the new rule goes into effect. We are opposed to any concept which would allow programming price and access discrimination to continue under existing contracts.

I write to ask you to review the NPRM against the mandate entrusted to you by Congress, which is to issue regulations which will encourage competition in the video marketplace and bring an end to the all existing and future unjustifiable discrimination against the noncable video marketplace by cable-owned programmers. Our rural northwest Iowa customers are watching this issue closely. We are looking forward to the FCC fulfilling the congressional mandate by issuing final regulations that will end this unwarranted discrimination in programming access and pricing.

Sincerely,

Markus I. Bryant

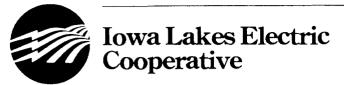
Director of Management Services and Government Relations

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1724 Central Avenue P.O. Box 77 Estherville, Iowa 51334-0077

The Honorable Irvin S. Duggan, Commissioner Federal Communications Commission 1919 M St. NW Washington, D.C. 20554

COPY

RE: MM Docket No. 92-265, Program Access

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J. Bruce Bosworth General Manager (712) 362-2694

The Honorable James Quello, Commissioner Federal Communications Commission 1919 M St. NW Washington, D.C. 20554

RE: MM Docket No. 92-265, Program Access

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I. Bruce Bosworth General Manager (712) 362-2694

The Honorable Andrew Barrett, Commissioner Federal Communications Commission 1919 M St. NW Washington, D.C. 20554



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